



THE CHANGING ECONOMICS OF GLOBAL HIGHER EDUCATION

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ABSTRACT

Education across international borders is viewed as a crucial economic outcome of globalization. Economic considerations related to international competitiveness have become a significant driving strength supporting the internationalization of learning. The argument that education is a major driver of economic competitiveness in an increasingly knowledge-driven global economy is now widely accepted. Educational attainment affects local and global competitiveness because 80 percent of new jobs created in the global knowledge driven economy will require advanced education.

KEYWORDS: global higher education, technology, economics, globalization.

INTRODUCTION:

Conventionally, global higher education was regarded as a public good, benefiting not only individuals but global society. But the dramatic reduction in government funding has done much to transform the economics of higher education around the globe (Barrett, 2017). The road ahead for global higher education is filled with challenges, hazards and uncertainties. The marketing and selling of higher education at the international level has both positive and negative effects largely driven by competition (Altbach & Reisberg, 2018). However, universities face what may be their greatest challenge as they face globalization, expansion, and economic uncertainty, superimposed by technology (Elbadir & Siddiqui, 2018). When the essential mandate of universities is buffeted by global, economic, social/political, technological, and educational change pressures, questions about the future of global universities become prominent (Pucciarelli & Kaplan, 2016).

As higher education became globalized, economic investment in higher education was perceived to raise the well-being of individuals, while elevating their human capital and economic capacity (Sutin & Jacob, 2016). The capacities for countries to adopt, disseminate, and maximize rapid technological and educational improvements for economic development are reliant on adequate systems of higher education (Moodie, 2016).

GLOBALIZATION:

Globalization, a key reality in the 21st century, has already profoundly influenced global higher education. Most recently, global higher education has become a profitable business framework, an online college business model, and a global higher education corporate machine, presenting higher education as a marketable product of knowledge-based properties (Faghih, 2019). Globalization with changes in the world's economy and the ubiquitous use of technology is impacting all facets of global higher education including economics (Mayo, 2019). In addition, globalization permitted global higher education institutions to expand their economic horizons and incorporate new techniques for the delivery of instruction (Gerhardt, 2020).

TECHNOLOGY AND ECONOMICS:

Technology has created a new era in global higher education, particularly in the international market of the knowledge-based economy (Dennis, 2018). Understanding new information and communication technologies is essential in both a local and global perspective (Mense, Lemoine, Garretson, & Richardson, 2018). Technology is transforming higher education by providing a global focus thereby intensifying the global interconnectedness of higher education, government, business, and industry. Universities are using technology as one of the primary means for initiating and maintaining contact and recruiting a diverse student population looking for anywhere, anytime learning in an effort to impact their economic reach (Kemp, 2016).

Global higher education is swept up in global marketization and competition in response to economic needs including funding and increased enrollments (Amy, 2016). Higher education is a second level participant in the creation of economic globalism, but it is essential to the creation, exchange and implementation of knowledge (Nabokikh, Ryattel, Sanovich, & Lapteva, 2020). Knowledge and information are more highly prized and more highly globalized than are other economic concerns (Bileviciute, Kraksas, Nevera, & Vainiute, 2019). The Internet,

harbinger of the digital economy, has changed the world from an industrial economy to a digital economy.

THE GLOBALIZATION OF HIGHER EDUCATION; THE ECONOMIC PERSPECTIVE:

Global higher education today faces its greatest combinations of challenges: economic uncertainty, accountability and globalization overlaid by evolving technologies (Waller, Lemoine, Mense, Garretson, & Richardson, 2019). To stay viable in the knowledge economy, global higher education institutions need to become business-like entrepreneurs by marketing themselves, building collaborative alliances, and preparing for newer, evolving technologies (Eatmon, Granger, Abrantes, & Forsberg, 2020). However, global higher education is facing two severe impediments to both growth and sustainability. First, governments around the world have steadily minimized their support for public higher education, and expenses have increased constantly (Li, 2017). Second, governments are increasing pressure on universities to demonstrate the value of their degrees in short-term, quantitative and market-related measures (McCormick, 2019).

Most global universities are now forced to adopt a unique form of corporate restructuring-- driven by economics--creating a harsh influence related to the standardization of degree production in institutions asked to make a profit from large numbers of student consumers (Muharlisiana, 2018)). This dilemma forces universities to pursue both excellence and equity in a climate of quality assurance and competition. However, economic considerations related to international competitiveness have become a significant driving strength behind the internationalization of learning (Mok, 2015).

The argument that higher education is a major driver of economic competitiveness in an increasingly knowledge-driven global economy is now widely accepted (Wihlborg & Robson, 2018). Economics are increasingly the focus of global higher education. Consequently, global higher education should concentrate on the quality of learning, the commitment to bring economic and educational solutions to society--not only markets--and the effort to protect and advance knowledge and economic development. This starts when quality higher education is more than a simple commodity and the price of a university education translates into much more than money (Lemoine, Jenkins, & Richardson, 2017).

DISRUPTION, ECONOMICS AND GLOBAL HIGHER EDUCATION:

The digital economy is transforming many aspects of the global marketplace and offers enormous opportunities for global higher education institutions that can adapt and modify (Lane, Lemoine, Tinney, & Richardson, 2014). In global knowledge economies, higher education institutions are more important than ever as channels for a wide range of cross-border relationships and continuous global flows of people, information, knowledge, technologies, products and financial capital (Lemoine, Hackett, & Richardson, 2016).

Global higher education institutions are facing decreased funding during a time of scarce resources yet increased accountability for productivity in the development and articulation of knowledge, such that excellence is essential for economic growth through the generation and application of knowledge. To combat reduced resources, global higher education as turned to increased tuition or

increased enrollments which has created expanded competition for students and market share in the global economy (Lemoine & Richardson, 2019).

Global higher education is being disrupted by the economics of instructional change that impacts teaching and learning and economics because of costs of the rapidly changing technologies (Martin, 2017). Most universities are forced to adopt a restructuring model for commoditizing education to make a profit from large numbers of students (Palfreyman, 2019). Yet citizens and bureaucrats in many countries are asking more frequently what tangible benefits the society is receiving for the tax revenues being spent on higher education (Marshall, 2018). As a result, quality assurance has acted as a disruptor and increased economic obligations to prove accountability (Ansell, 2017).

CONCLUSIONS:

1. Global higher education must adapt or get left behind.
2. The digital economy has transformed higher education and students can take classes anywhere or on their computer.
3. The Internet, harbinger of the digital economy, has changed the world from an industrial economy to a digital economy.
4. The digital economy is about knowledge and communication and survival for global universities means adaptation.
5. Change presents global higher education the opportunity to become a knowledge and digital economy participant.

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